

Special Municipal Council Meeting
Senior Center
December 7, 2006

President Lawrence called the Special Council Meeting to order at 7:00p.m.

Councilor Pinierio led the Pledge of Allegiance.

Roll Call: Members present – Councilor Brennick, Councilor Connolly King, Councilor Lavoie, Councilor Lindstrom, Councilor McClure, Councilor Pinierio, Councilor Thone, Councilor Benson, and President Lawrence.

President Lawrence stated the item on the agenda was to act on the Mayor's Veto of 2006-116. He reminded the public that the Council was there to act on the Mayor's veto and there would be no public comment, however, they would hear from the Mayor.

Mayor Kezer thanked the Council and stated he was there to deliver his veto message (attached) in person to explain his reasons for vetoing 2006-116. He stated the one thing that everyone is in agreement on is that they are trying to help the Town of Amesbury to deliver the municipal services but do so without undue burden on the taxpayers of Amesbury. That's the common objective, however by different means to achieve that. He asked the Council to sustain the veto on creating a split tax rate for the Town of Amesbury. He stated he does not believe splitting the tax rate is not a sustainable solution; it will be short lived and it will drive out the growth of the business in Town and will continue the shift of more of the tax burden be picked up by the residents and less by the businesses. He stated the best way to share the burden between the residents and the businesses is to grow the commercial industrial tax base by sustaining the present businesses and attracting more into the areas designated for growth. He stated it was harder and slower than splitting the tax rate but it is more sustainable and will give real savings to the residents. He referred to a report from the Worcester Research Bureau which addresses the same issue and it stated, "The dual classification and higher commercial industrial and residential tax rates place Worcester at a competitive disadvantage compared to a number of nearby communities including those along the I-495 corridor. Additionally, over the past five years because of the much smaller increase in the assessed value of commercial industrial property compared to residential the proportion of the tax base derived from residential properties has increased from 73% in '01 to 81% in '06. These figures suggest not only the need to attract new businesses to Worcester but that efforts to alleviate the tax burden on homeowners by raising the rate on businesses are self defeating. Further increases in the commercial tax rate would only discourage businesses from locating or expanding in Worcester thus exacerbating the residential tax burden still further. Worcester would be far better served by a focused endeavor to reduce the costs of Municipal operations and evening out the difference between the Commercial Industrial and residential rates thus lowering the tax burden for everyone."

He stated once there is a split rate it's a slippery slope and it keeps moving until you get to the max rate. The increase in the residential tax collection relative to the commercial industrial is simply because new houses are being added and there are less commercial industrial businesses. He referred to paragraph three and the logic that the CIP shift was instituted due to an inherent flaw in valuation is flaw and the Department of Revenue's view on it.

He stated the email he saw from Councilor Thone is the proof that there is a flaw in the assessment process. He read Councilor Thone states, "There is a flaw in the assessment process which makes it

difficult to establish and maintain current market values for commercial industrial properties.” He states it goes on with the smoking gun, “in fact a recent sales analysis conducted for the Assessor by Vision Appraisal states that our single family homes are 93% of assessed value while commercial is at 86% and industrial is at 72% of assessed value. He agreed that particular statement is true when the sales analysis was done. He stated what’s missing from that is the rest of the story because the process that the Assessor’s use is to do the sales analysis and use that to determine what the changes are in values due to sales of property, residential, commercial, industrial and before they set the tax rate they vote as they have recently done to adjust all of the assessments at 95% of market value. Then the tax bills are set for the following year. He said to say there is a flaw in the assessment process is false. It is a well established process. He stated he has heard from officials in other cities that having a split tax rate is one of the most divisive issues in their community. He stated he thinks there was a miscalculation that there is a silent majority that would be willing to take a tax cut, any tax cut no matter what and he thinks that is wrong. He said he is seeing a community that is united, not just businesses, not just residents, but the whole community that have come together for this issue. He stated his biggest fear is that what really is going to be hurt are the dreams, the vision, the hopes of a community that is proud of what it has accomplished in the last five years and what it has done in the downtown and throughout the community.

President Lawrence stated they have all received many emails and phone calls from both sides and the members of the Council have thought long and hard about whatever decision they make tonight or they made at the last Council meeting. A split rate, in his opinion is not permanent; it can be changed. He extended an invitation to the Mayor to meet with the Council, the finance committee and the Assessor’s office to find a possible resolution to the inequality in the assessments. He said he would leave that to the Mayor. He stated he would entertain a motion.

Councilor Brennick stated he would make a motion to readopt 2006-116 Section 1 for the purpose of overriding the Mayor’s Veto and sustaining the Council’s vote on the same. Councilor McClure seconded.

Councilor Lavoie asked if it was non-debatable. He stated he did not believe it was non-debatable.

President Lawrence stated there is normally no further discussion but he would allow it.

Councilor Lavoie stated he passed out an LA15 form which the Mayor had discussed. Each year the Assessor’s office approves this and sends it to DOR for approval. He explained what the Property class number represented. He explained how each year a consultant is hired to run the sales assessment. He stated a memo from the Mary Marino to the Board of Assessors with the Prior Median ASR information. The Board of Assessors then voted to set the Current Median ASR which is pretty much 95 across the board or very close to it. He stated the argument that he has been hearing that the assessment of commercial industrial property is flawed but it is just not so. DOR certifies the mark up in assessment from year to year and this form has been accepted by the DOR. The analysis that there is an unfairness is built on the premise that there is an inherent flaw in assessing the commercial industrial property. He stated it is just not the case and that is why he will vote to sustain the Mayor’s veto.

Councilor Thone stated she sat through the finance committee meeting and asking Mary Marino questions, it was her understanding of that memo that they voted to increase single family home assessments to 95% and industrial assessments to 81% and that was based on one sale. That is her

understanding of the result of that. Her question to Mrs. Marino after it being brought to her attention that the DOR states we are at 96%; how that could be. That would be an outstanding question for her since none of the numbers at up to 96% yet the DOR says 96% on their site. It is her understanding at this point that single family homes are at 95, 86 for commercial and 81 for industrial.

Councilor Lavoie stated the form shows what was sent to DOR.

Councilor Thone stated she knows what the form shows, she knows what the Mayor states and what the Assessor discussed with them at the finance committee.

Councilor King stated she took exception to the comment blaming Mayor Kezer's lack of communication being an issue. She stated the request to meet with the Mayor came after the split rate was voted and after the Mayor vetoed it. The time for discussion should have been prior to that. She stated it was President Lawrence's decision to cut communication with the Mayor's office so the blame should not be placed on the Mayor.

President Lawrence stated he changed the meeting schedule because his work schedule changed and he was not able to meet at eight or nine in the morning for two hours. He stated he did offer the Mayor to contact him if there was an issue and the Mayor did not do that.

Councilor Thone stated she wanted to add a final point. There have been several issues the Council has found out about through the Daily News including this veto. She stated that is a lack of communication on the Executive side. She stated the spreadsheet that they had received is not flawed data and is directly from the Assessor's data base. She stated a majority of the CIP are paying less taxes than in 2002. Staying at a flat rate those taxes will continue to go down which will be carried on the backs of the homeowners.

Councilor Pinierio passed out a document he stated he received from the Assessor's office and explained one business' value in 2001 was \$1,966,500.00. The tax bill was \$35,948.00. The value of the same commercial property now is \$1,595,500 and the tax bill is \$21,683.00.

Councilor Benson asked that the motion be repeated.

Councilor Brennick repeated the motion to readopt 2006-116 Section 1 for the purpose of overriding the Mayor's Veto and sustaining the Council's vote on the same. Councilor McClure seconded.

Roll Call Vote – Brennick – Yes, King –No, Lavoie – No, Lindstrom – Yes, McClure – Yes, Pinierio – Yes, Thone – Yes, Benson – No, Lawrence – Yes. VOTED 6-Yes, 3-No

Councilor Benson moved to adjourn.

Meeting adjourned at 8:10 p.m.

Respectfully submitted

Bonnijo Kitchin
Town Clerk

